

Assembly Bill 890 (Levine)
Political Party Late Contribution Reporting
Version: Amended, May 20, 2004
Status: Senate Elections Committee

Executive Summary

Subjects state and county political party committees to the late contributions disclosure requirements of the Political Reform Act (the “Act”)¹ in order to ensure that the sources of political party contributions to state candidates (unlimited under Proposition 34) will be known prior to the election.

Recommendation: Support

Staff recommends a position of support. In seeking to advance timely disclosure of unlimited political party contributions to party candidates, and of the source of the donors of those party contributions, AB 890 furthers the purposes of the Act and of Proposition 34.²

Background

This bill attempts to close a reporting loophole allowing large contributions to be made through political parties during the late contribution period and go unreported until after the election. This loophole was the subject of press stories last year reporting that 21st Century Insurance made \$900,000 in contributions to state and county political party committees in the month prior to the 2002 state general election. Under the disclosure rules, these contributions went unreported until the party committees and the insurance company filed their second semi-annual campaign reports in January of 2003. Those reports also disclosed that the party committees subsequently gave substantial amounts to candidates in heavily contested races in the closing days of the election.

Political parties are categorized as “general-purpose” committees under the Act for purposes of when and where their campaign reports must be filed. (§82027.5) Currently, contributions to general-purpose committees are not subject to late reporting. This measure would change that rule for state and county political party committees.

Analysis

Candidates and committees are required to disclose “late contributions” within 24 hours.³ (§84203.) A late contribution is a contribution of \$1,000 or more received by or made to a candidate or primarily formed ballot measure committee during the last 16 days prior to the candidate’s or measure’s election. This is the period following the filing of the second (and last)

¹ Government Code §§81000-91016. References are to the Government Code unless otherwise noted.

² The first enumerated purpose of the Act identified at § 81002(a) is: “Receipts and expenditures in election campaigns should be fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited.” Proposition 34 similarly provides at uncoded Section 1(b)(5) that one of that measure’s purposes is: “To increase public information regarding campaign contributions and expenditures.” Subdivision (b)(7) of the same uncoded section identifies another purpose: “To strengthen of the role of political parties in financing political campaigns by means of reasonable limits on contributions to political party committees and by limiting restrictions on contributions to, and expenditures on behalf of, party candidates, to a full, complete and timely disclosure to the public.”

³ For late non-monetary contributions, there is a 48-hour filing deadline. See §84203.3.

pre-election campaign statement, which covers the period ending 17 days before the election. (§§ 84200.5-84200.8.)

All committees are required to disclose late contributions made. Only candidates and ballot measure committees involved in the election are required to disclose late contributions received. The purpose of §84203 is to provide information to the public about contributions received by or made to candidates and ballot measure committees during the final days before an election, after all of the regular campaign reports have been filed.

General-purpose committees, as defined in §82027.5, including political party committees, are required to file a late contribution report within 24 hours if they make a contribution of \$1,000 or more during the late contribution period to a candidate or ballot measure committee involved in an election. General-purpose committees currently are not required to disclose contributions received during the late contribution period until the next semi-annual campaign statement, due after the election. (Section 84200.)

Staff Comments

AB 890 would require 24-hour reporting of a contribution of \$1,000 or more made to or received by a political party committee if the contribution is made or received “after the closing date of the last campaign statement required to be filed before an election.” This new language raises the following issues:

- **Donors to non-party general purpose committees may still go unreported prior to election.** While bill accomplishes disclosure of contributions made to political party committees in the pre-election and late contribution periods, it does not address similar contributions made to other general purpose committees. This may be less of a concern, since they are limited to \$5,300 by section 85303, while the limit on contributions to a political party is \$26,600. Also, contributions to state candidates from general purpose committees are limited by Proposition 34, while political party contributions are not.
- **Onerous on county party committees and major donors?** Under this bill, any state or local election will trigger a reporting requirement for any county central committee that receives or makes a contribution of \$1,000 or more in the 16 days prior to that election. This would mean that the Sacramento County Republican Central Committee and any major donors who contribute to it will have to report contributions it receives during the late period prior to a recall election in the City of Chula Vista. It may not be possible for county central committees and major donors to track all local elections. The Secretary of State web site could be used to list all local elections.